



Living
Information

Alma Media Corporation

Q2 2015

21 July 2015

Alma Media's Interim Report January–June 2015:
OPERATING PROFIT INCREASED IN THE SECOND QUARTER

Financial performance April–June 2015:

- Revenue was MEUR 73.0 (75.7), down 3.5%. The effect of divested business operations on the decrease in revenue was MEUR 3.3.
- Online sales increased by 8.0% to MEUR 25.7 (23.8).
- EBITDA (Earnings before interest, taxes, depreciation and amortisation) excluding non-recurring items MEUR 10.2 (9.7), up 5.2%.
- EBITDA was MEUR 11.5 (9.5), up 20.8%.
- Operating profit excluding non-recurring items was MEUR 6.8 (6.3) or 9.3% (8.3%) of revenue, up 8.0%.
- Operating profit MEUR 8.1 (6.1), or 11.1% (8.1%) of revenue, up 32.4%.
- Profit for the period was MEUR 6.3 (4.8), up 32.8%.
- The operating profit for April–June includes non-recurring items of MEUR 1.3 (-0.2).
- Earnings per share EUR 0.07 (0.06).

Financial performance January–June 2015:

- Revenue was MEUR 144.9 (148.4), down 2.3%. The effect of divested business operations on the decrease in revenue was MEUR 6.2.
- Online sales increased by 4.2% to MEUR 49.5 (47.5).
- EBITDA (Earnings before interest, taxes, depreciation and amortisation) excluding non-recurring items MEUR 15.6 (15.8), down 1.5%.
- EBITDA was MEUR 17.6 (16.4), up 7.7%.
- Operating profit excluding non-recurring items was MEUR 8.7 (8.8), or 6.0% (5.9%) of revenue, down 0.6%.
- Operating profit MEUR 10.8 (9.3), or 7.4% (6.3%) of revenue, up 15.5%.
- Profit for the period was MEUR 8.2 (6.9), up 18.0%.
- The operating profit for January–June includes non-recurring items of MEUR 2.1 (0.6).
- Earnings per share EUR 0.09 (0.08).

KEY FIGURES MEUR	2015 Q2	2014 Q2	Change		2015 Q1–Q2	2014 Q1–Q2	Change		2014 Q1–Q4
				%				%	
Revenue	73.0	75.7	-2.6	-3.5	144.9	148.4	-3.4	-2.3	295.4
Content revenue	24.2	27.0	-2.9	-10.6	50.1	54.4	-4.3	-7.8	110.1
Content revenue, print	22.5	25.7	-3.2	-12.5	47.0	51.8	-4.8	-9.2	104.6
Content revenue, online	1.7	1.4	0.4	26.1	3.2	2.6	0.5	20.6	5.6
Advertising revenue	38.0	39.2	-1.2	-2.9	73.2	74.3	-1.1	-1.5	146.4
Advertising revenue, print	17.8	20.6	-2.8	-13.7	34.5	37.6	-3.0	-8.1	73.7
Advertising revenue, online	20.2	18.5	1.7	9.4	38.7	36.5	2.1	5.8	72.7
Service revenue	10.8	9.4	1.4	14.8	21.6	19.7	1.9	9.8	38.8
Total expenses excluding non-recurring items	66.4	69.5	-3.2	-4.6	136.4	139.9	-3.5	-2.5	274.6
EBITDA excluding non- recurring items	10.2	9.7	0.5	5.2	15.6	15.8	-0.2	-1.5	35.1
EBITDA	11.5	9.5	2.0	20.8	17.6	16.4	1.3	7.7	36.4
Operating profit excluding non-recurring items	6.8	6.3	0.5	8.0	8.7	8.8	-0.1	-0.6	21.4
% of revenue	9.3	8.3			6.0	5.9			7.2
Operating profit (loss)	8.1	6.1	2.0	32.4	10.8	9.3	1.4	15.5	20.7
% of revenue	11.1	8.1			7.4	6.3			7.0
Profit for the period	6.3	4.8	1.6	32.8	8.2	6.9	1.2	18.0	15.7
Earnings per share, EUR (basic)	0.07	0.06	0.02	32.1	0.09	0.08	0.01	17.0	0.19
Earnings per share, EUR (diluted)	0.07	0.06	0.02	32.1	0.09	0.08	0.01	17.0	0.19
Online sales	25.7	23.8	1.9	8.0	49.5	47.5	2.0	4.2	94.5
Online sales, % of revenue	35.2	31.4			34.1	32.0			32.0

Outlook for 2015:

Low interest rates, a weaker euro and lower oil price improve the chances for growth in the long run. However, in 2015, economic growth is still expected to remain weak in Europe and, in particular, in Finland. The weak economic development has an impact on advertising volume, which is not expected to increase in Finland in 2015.

Alma Media expects its revenue to decrease in 2015 and operating profit excluding non-recurring items to remain unchanged or decrease from the 2014 level. The full-year revenue 2014 was MEUR 295.4, and operating profit excluding non-recurring items was MEUR 21.4.

Kai Telanne, President and CEO:

The Finnish economy continued to be characterised by sustained weak development in the second quarter of 2015. According to TNS Gallup, advertising volume, which is linked to GDP, declined by 3.3%. The circulation volumes and single-copy sales of print media continued to decline.

The significance of Alma Media's foreign operations to the company's income formation is increasing rapidly. Profitable growth in foreign markets compensated for the decline in domestic revenue and profitability in the first half of the year. Alma Media has recruitment and career services in 10 countries as well as business premises services in Sweden. Foreign operations accounted for 14% of revenue and 44% of operating profit excluding non-recurring items in the first half of the year.

The Group's revenue declined by 3.5% in April–June and amounted to MEUR 73. Operating profit excluding non-recurring items improved 8% year-on-year to MEUR 6.8.

Alma Media's domestic business operations were weighed down by the weak economic situation in Finland and its impact on the decline in advertising volume and content revenue, particularly in print media. At the same time, the Group was successful in implementing measures to reduce its cost structure. Positive developments in the national economies of Eastern Central Europe and the improved employment situation in the region supported the strong growth of Alma Media's digital recruitment service business. The Group's international recruitment business grew by 23% in the second quarter. The domestic marketplaces business maintained its level of financial performance.

In the Financial Media and Business Services segment, growth was attributable particularly to the acquisitions of JM Tieto, which builds marketing and sales concepts for B2B companies and has been fully owned by Alma Media since the start of the year. Reorganisation measures in the customer magazine business improved the segment's profitability. Revenue and operating profit continued to decline in National Consumer Media, which is the segment hit hardest by the weak domestic advertising market. In the Regional Media segment, declining content revenue and advertising volume weighed down revenue, but operational cost adaptation measures and an increase in external revenue from printing operations helped curb the decline in the segment's profit.

Alma Media will continue to focus on digital development, such as effective advertising solutions and the creation of new mobile solutions. Organisational changes are currently underway concerning advertising sales and sales support. New operating models aimed at digital development and accelerating sales will be implemented during the third quarter.

Alma Media's financial position has continued to strengthen and the equity ratio was nearly 43% at the end of June. The strengthened balance sheet provides a solid foundation for continued investments in growth and internationalisation.

Alma Media is very concerned about the viability of Finnish media. Finland should have strong local and national media in a time when consumer media consumption spans multiple channels and is becoming increasingly fragmented, and international media conglomerates are having a growing impact on domestic media consumption. The new Finnish government that was formed in May must urgently make decisions on national policies to reduce value added taxes on digital media. An appropriate change in taxation would help Finnish media companies maintain their competitiveness and also improve Alma Media's capacity to build multi-channel media consumption experiences for its customers.

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The figures are compared in accordance with the International Financial Reporting Standards (IFRS) with those of the corresponding period in 2014, unless otherwise stated. The figures in the tables are independently rounded.

KEY FIGURES MEUR	2015 Q2	2014 Q2	Change %	2015 Q1–Q2	2014 Q1–Q2	Change %	2014 Q1–Q4
Revenue	73.0	75.7	-3.5	144.9	148.4	-2.3	295.4
Total expenses excluding non-recurring items	66.4	69.5	-4.6	136.4	139.9	-2.5	274.6
EBITDA excluding non-recurring items	10.2	9.7	5.2	15.6	15.8	-1.5	35.1
EBITDA	11.5	9.5	20.8	17.6	16.4	7.7	36.4
Operating profit excluding non-recurring items	6.8	6.3	8.0	8.7	8.8	-0.6	21.4
% of revenue	9.3	8.3		6.0	5.9		7.2
Operating profit (loss)	8.1	6.1	32.4	10.8	9.3	15.5	20.7
% of revenue	11.1	8.1		7.4	6.3		7.0
Profit before tax	8.0	5.8	37.8	10.4	8.4	22.6	19.7
Profit for the period	6.3	4.8	32.8	8.2	6.9	18.0	15.7
Return on Equity/ROE (Annual)*	27.9	22.0	26.7	16.5	15.6	5.4	16.4
Return on Investment/ROI (Annual)*	16.3	12.1	34.5	10.5	8.7	21.3	9.7
Net financial expenses	0.4	0.7	39.4	1.0	1.3	27.6	2.7
Net financial expenses, % of revenue	0.6	0.9		0.7	0.9		0.9
Balance sheet total				258.7	269.3	-3.9	256.1
Capital expenditure	1.5	2.5	-42.6	8.7	12.0	-27.7	14.4
Capital expenditure, % of revenue	2.0	3.4		6.0	8.1		4.9
Equity ratio, %				42.7	38.4	11.3	42.6
Gearing, %				62.1	83.8	-26.0	68.5
Interest-bearing net debt				63.4	79.7	-20.5	71.1
Interest-bearing liabilities				77.0	93.3	-17.5	83.0
Non-interest-bearing liabilities				79.6	80.9	-1.6	69.4
Average no. of employees, calculated as full-time employees, excl. delivery staff	1,794	1,826	-1.8	1,766	1,840	-4.0	1,828
Average no. of delivery staff	1,001	981	2.0	977	974	0.3	985
Share indicators							
Earnings per share, EUR (basic)	0.07	0.06	32.1	0.09	0.08	17.0	0.19
Earnings per share, EUR (diluted)	0.07	0.06	32.1	0.09	0.08	17.0	0.19
Cash flow from operating activities/share, EUR	0.06	0.04	44.1	0.25	0.26	-2.6	0.35
Shareholders' equity per share, EUR				1.16	1.07	8.3	1.17
Dividend per share, EUR							0.12
Effective dividend yield, %							4.4
P/E Ratio							14.6
Market capitalisation				239.3	204.6	17.0	207.6
Average no. of shares (1,000 shares)							
– basic	75,487	75,487		75,487	75,487		75,487
– diluted	75,487	75,487		75,487	75,487		75,487
No. of shares at the end of the period (1,000 shares)							
				75,487	75,487		75,487

*) See Accounting Principles of the Interim Report.

Strategy and related activities during the review period

The cornerstones of the strategy are multi-channel content, marketing and advertising solutions, digital services and improving resources and competencies.

The development of digital services included the launch of Gofinland, a website that gathers under the same address all the experiences and services needed by people spending their holidays at summer cottages. Gofinland will gradually expand in 2015. At present, the website helps consumers find rental cottages. In future, content created by users will be an important part of the service in addition to experience-related content. The aim is to expand to also attract foreign travellers to Finland. The television guide Telkku.com underwent a renewal to make it visually clearer, with more diverse content and easier use on all devices. The service aims to respond to the changes in the television industry and in the way consumers watch television. Telkku.com is the largest and most popular television guide in Finland.

During the review period, Kauppalehti Business Information Services, which is part of Alma Media's Financial Media and Business Services segment, expanded its product development cooperation with its partners and launched a service that provides real-time and anticipatory information on the payment behaviour of Finnish companies.

As part of the strategic focus on multi-channel content, an online video channel called Klippi was launched as part of the Aamulehti online service during the review period. The video service includes content related to news, sports and current affairs, as well as its own online video series. IL-Media launched a video publication related to its Pippuri.fi service and other lifestyle content products.

The statutory employee negotiations related to improving the competitiveness of Alma Media's publishing operations and the renewal of the production model of its northern newspapers were completed in the second quarter. The editorial teams, advertisement sales organisations, advertisement production and customer service functions of Lapin Kansa, Pohjolan Sanomat, Uusi Rovaniemi and Lounais-Lappi were merged. The total impact on employees was 21 person years. As a result of the merger, a single voice for the Lappi region was created, amounting to the seventh largest regional newspaper in Finland measured in reader volume. In connection with the changes, the online and mobile services of these newspapers were revamped. The solution also had an impact on distribution operations. The statutory employee negotiations regarding Alma Manu Oy's distribution services in the Lappi region were completed at the same time. The new distribution model is based on six delivery days and resulted in an employee decrease of 15 person years.

Alma Media has decided to implement organisational changes pertaining to its digital operations, digital advertising sales and sales support. The planning of these organisational changes began in June. In conjunction with these changes, Alma Media is planning to transfer small-scale digital consumer services from the Alma Diverso business unit to other business units. The changes will not have any impact on the number of personnel.

Domestic market conditions

According to TNS Media Intelligence, total advertising volume decreased by 3.3% (decreased by 2.3%) in the second quarter. Advertising in city papers and newspapers declined by 5.1% (declined by 5.7%) but increased in online media by 5.1% (increased by 15.8%) from the comparison period. In terms of volume, the total market of afternoon papers declined by 12.1% (declined by 7.3%) in the second quarter of 2015.

According to TNS Media Intelligence, total advertising volume decreased by 3.1% (decreased by 3.6%) in January–June 2015. Advertising in city papers and newspapers declined by 5.7% (declined by 8.3%) but increased in online media by 5.5% (increased by 13.8%) from the comparison period.

Changes in Group structure in 2015

Alma Media's subsidiary Alma Media Kustannus Oy divested Koti-Lappi, a town paper published in Kemijärvi, on 14 April 2015.

In January 2015, Alma Media acquired the entire share capital of JM Tieto Oy as a business combination achieved in stages. Prior to the acquisition, Alma Media held a 20% stake in the company. JM Tieto Oy specialises in improving the effectiveness of B2B sales, with a focus on marketing information and its utilisation. JM Tieto will be reorganised to form part of Kauppalehti Business Information Services' operations.

Alma Media's newspaper business in Kainuu was transferred to a new owner, SLP Kustannus Oy. The divestment saw the regional newspaper Kainuun Sanomat, the town paper Koti-Kajaani and three subscription-based local papers transferred to the subsidiary of Suomalainen Lehtipaino Oy. The transaction does not affect Alma Media's result for 2015.

Group revenue and result for April–June 2015

Revenue declined by 3.5% to MEUR 73.0 (75.7) in the second quarter. The effect of divested business operations on the decrease in revenue was MEUR 3.3 in the second quarter.

Content revenue declined by 10.6% to MEUR 24.2 (27.0). The year-on-year decline was due to the decrease in print media circulations. The increase in content revenue from digital distribution channels was not sufficient to cover the decline in print media content revenue.

Revenue from advertising sales declined by 2.9% to MEUR 38.0 (39.2). Advertising sales for print media decreased by 13.7% from the comparison period to MEUR 17.8 (20.6). Online advertising sales increased by 9.4% to MEUR 20.2 (18.5).

Service revenue totalled MEUR 10.8 (9.4). Service revenue includes items such as Kauppalehti Business Information Services, the operations of the custom publishing house Alma 360 and E-kontakti and the printing and distribution services sold to customers outside the Group by Alma Manu.

Total expenses excluding non-recurring items amounted to MEUR 66.4 (69.5), a decrease of 4.6% that was primarily due to a decline in printing and distribution expenses. Total expenses amounted to MEUR 67.0 (69.7).

Operating profit excluding non-recurring items was MEUR 6.8 (6.3), or 9.3% (8.3%) of revenue. Operating profit was MEUR 8.1 (6.1), or 11.1% (8.1%) of revenue. The operating profit includes net non-recurring items in the amount of MEUR 1.3 (-0.2). The result for April–June 2015 was MEUR 6.3 (4.8), and the result excluding non-recurring items was MEUR 5.0 (4.9).

Group revenue and result January–June 2015

In the first half of the year, revenue declined by 2.3% to MEUR 144.9 (148.4).

Content revenue decreased by 7.8% to MEUR 50.1 (54.4). The year-on-year decline was due to the decrease in print media circulations.

Revenue from advertising sales decreased by 1.5% to MEUR 73.2 (74.3). Advertising sales for print media decreased by 8.1% from the comparison period to MEUR 34.5 (37.6). Online advertising sales increased by 5.8% to MEUR 38.7 (36.5).

Service revenue totalled MEUR 21.6 (19.7). The increase in service revenue was particularly attributable to the acquisition of JM Tieto under Kauppalehti Business Information Services and the improved revenue of Alma Manu.

Total expenses excluding non-recurring items amounted to MEUR 136.4 (139.9) in the first half of the year, a decrease of MEUR 3.5, or 2.5%. Total expenses were MEUR 137.1 (140.1).

Operating profit excluding non-recurring items was MEUR 8.7 (8.8), or 6.0% (5.9%) of revenue. Operating profit was MEUR 10.8 (9.3), or 7.4% (6.3%) of revenue. The operating profit includes net non-recurring items in the amount of MEUR 2.1 (0.6). The result for January–June 2015 was MEUR 8.2 (6.9), and the result excluding non-recurring items was MEUR 6.1 (6.3).

Business segments

The reporting segments of Alma Media are Digital Consumer Services, Financial Media and Business Services, National Consumer Media and Regional Media. Centralised services produced by the Group's parent company and centralised digital support services for the entire Group are reported outside segment reporting.

The Group has five operating segments as shown in the table below. The operating segments that produce similar products and services are combined into reportable segments due to their uniform profitability and other characteristics.

REPORTABLE SEGMENT:	OPERATING SEGMENT:
Digital Consumer Services	Marketplaces
	Alma Diverso
Financial Media and Business Services	Financial Media and Business Services
National Consumer Media	National Consumer Media
Regional Media	Regional Media

REVENUE AND OPERATING PROFIT/LOSS BY SEGMENT

REVENUE MEUR	2015 Q2	2014 Q2	Change %	2015 Q1-Q2	2014 Q1-Q2	Change %	2014 Q1-Q4
Digital Consumer Services							
External	15.1	13.6		29.3	26.9		54.4
Inter-segments	0.3	0.4		0.5	0.7		1.4
Digital Consumer Services total	15.3	14.0	9.4	29.8	27.6	8.1	55.8
Financial Media and Business Services							
External	13.6	12.9		27.1	26.5		52.0
Inter-segments	0.4	0.2		0.7	0.3		1.1
Financial Media and Business Services total	14.0	13.1	7.2	27.8	26.8	3.7	53.0
National Consumer Media							
External	9.2	12.5		17.9	23.7		44.4
Inter-segments	1.5	0.2		2.8	0.5		2.5
National Consumer Media total	10.7	12.7	-15.8	20.6	24.3	-14.9	46.9
Regional Media							
External	32.5	35.4		65.7	68.8		137.7
Inter-segments	1.6	1.8		3.2	3.5		7.5
Regional Media total	34.0	37.2	-8.5	68.9	72.4	-4.7	145.2
Eliminations and non-allocated	-1.1	-1.4		-2.3	-2.7		-5.6
Total	73.0	75.7	-3.5	144.9	148.4	-2.3	295.4

OPERATING PROFIT/LOSS MEUR *	2015 Q2	2014 Q2	Change %	2015 Q1-Q2	2014 Q1-Q2	Change %	2014 Q1-Q4
Digital Consumer Services	3.9	2.5	56.9	6.7	4.7	42.6	10.7
Financial Media and Business Services	1.9	1.3	40.1	4.4	3.4	27.0	6.5
National Consumer Media	0.9	1.7	-48.0	0.6	2.8	-80.0	3.1
Regional Media	2.2	3.0	-26.6	2.5	3.2	-19.7	8.3
Segments total	8.8	8.5	4.4	14.1	14.1	0.4	28.6
Non-allocated	-0.7	-2.3	69.2	-3.3	-4.7	29.2	-7.9
Total	8.1	6.1	32.4	10.8	9.3	15.5	20.7

* Including non-recurring items.

Digital Consumer Services

The services of the Digital Consumer Services segment operating in Finland are Etuovi.com, Vuokraovi.com, Gofinland.fi, Monster.fi, Autotalli.com, Telkku.com, Kotikokki.net, E-kontakti.fi and Meedio.fi. The services outside Finland are Jobs.cz, Prace.cz, Topjobs.sk, CV Online, Profesia.sk, MojPosao.net, Monster.hu, Monsterpolska.pl and Monster.cz.

DIGITAL CONSUMER SERVICES

KEY FIGURES MEUR	2015 Q2	2014 Q2	Change %	2015 Q1–Q2	2014 Q1–Q2	Change %	2014 Q1–Q4
Revenue	15.3	14.0	9.4	29.8	27.6	8.1	55.8
Operations in Finland	5.6	5.7	-2.6	11.0	11.2	-2.4	22.0
Operations outside Finland	9.8	8.3	17.7	18.9	16.4	15.2	33.8
Total expenses excluding non-recurring items	11.5	11.5	-0.8	23.2	23.0	0.8	46.8
EBITDA excluding non-recurring items	5.2	3.9	36.1	9.3	7.4	26.5	14.8
EBITDA	5.2	3.9	36.1	9.3	7.4	26.5	16.5
Operating profit excluding non-recurring items	3.9	2.5	56.9	6.7	4.7	42.6	9.2
% of revenue	25.6	17.9		22.3	16.9		16.4
Operating profit	3.9	2.5	56.9	6.7	4.7	42.6	10.7
% of revenue	25.6	17.9		22.3	16.9		19.2
Average no. of employees, calculated as full-time employees	512	492	4.0	508	485	4.8	491
Online sales	15.3	14.0	9.4	29.8	27.6	8.1	55.8
Online sales, % of revenue	100.0	100.0		100.0	100.0		100.0
OPERATIONAL KEY FIGURES	2015 Q2	2014 Q2	Change %	2015 Q1–Q2	2014 Q1–Q2	Change %	2014 Q1–Q4
Online services, unique browsers, weekly, on average (thousands) *)							
Monster.fi	142.9	112.1	27.5	158.9	121.4	30.9	127.2
Telkku.com	819.7	737.1	11.2	818.2	762.6	7.3	735.5
Kotikokki.net	441.5	368.7	19.7	456.9	379.5	20.4	408.7

*) TNS Gallup changed the calculation method for browser metrics at the beginning of 2015. The figure was previously adjusted by an adjustment algorithm used to estimate factors such as the number of users who have removed the cookie used to count site visits. The use of the adjustment algorithm has now been discontinued and a raw figure is reported for browsers instead. Due to the change, these figures are not comparable with previously published data on browsers.

April–June 2015

In the second quarter of 2015, revenue for the Digital Consumer Services segment increased by 9.4% to MEUR 15.3 (14.0). Revenue from the recruitment business increased by 20.7% during the review period and accounted for 73.0% (66.2%) of the segment's revenue. Strong growth continued particularly in the Czech Republic, Slovakia and Croatia. The effect of the City24 business divested in late 2014 was MEUR 0.4 on the segment's revenue in the comparison period.

Total expenses during the review period excluding non-recurring items were unchanged from the previous year at MEUR 11.5 (11.5).

The Digital Consumer Services segment's operating profit excluding non-recurring items was MEUR 3.9 (2.5) in the second quarter. Operating profit excluding non-recurring items was 25.6% (17.9%) of revenue. The segment's operating profit was MEUR 3.9 (2.5).

January–June 2015

In the first half of the year, the Digital Consumer Services segment's revenue increased by 8.1% to MEUR 29.8 (27.6). The recruitment business accounted for 73.1% (67.2%) of the segment's revenue in the first half of 2015. The effect of the City24 business divested in late 2014 was MEUR 0.8 on the segment's revenue in the comparison period.

Total expenses during the review period excluding non-recurring items were MEUR 23.2 (23.0). The Digital Consumer Services segment's operating profit excluding non-recurring items was MEUR 6.7 (4.7) in the first half of the year. The segment's operating profit was MEUR 6.7 (4.7).

Financial Media and Business Services

The Financial Media and Business Services segment specialises in the production of financial information as well as providing information and marketing solutions for businesses. Its best-known brand is Finland's leading business paper, Kauppalehti. The segment also includes Kauppalehti Business Information Services, the business premises service provider Objektvision.se and the custom media house Alma 360.

KEY FIGURES MEUR	2015 Q2	2014 Q2	Change %	2015 Q1–Q2	2014 Q1–Q2	Change %	2014 Q1–Q4
Revenue	14.0	13.1	7.2	27.8	26.8	3.7	53.0
Content revenue	3.8	3.8	0.9	7.8	7.8	-0.2	16.2
Advertising revenue	4.1	4.1	1.9	8.2	7.9	3.2	15.6
Service revenue	6.0	5.2	16.1	11.8	11.1	6.8	21.2
Total expenses excluding non-recurring items	12.2	11.7	3.6	24.0	24.1	-0.5	46.4
EBITDA excluding non-recurring items	2.1	1.4	45.0	4.2	2.9	43.0	7.1
EBITDA	2.1	1.4	45.0	4.8	3.7	29.7	7.3
Operating profit excluding non-recurring items	1.9	1.3	40.1	3.8	2.7	40.7	6.7
% of revenue	13.3	10.2		13.7	10.1		12.6
Operating profit	1.9	1.3	40.1	4.4	3.4	27.0	6.5
% of revenue	13.3	10.2		15.7	12.9		12.2
Average no. of employees, calculated as full-time employees	247	239	3.4	242	289	-16.1	259
Online sales	6.0	5.6	7.6	11.8	11.6	2.0	22.8
Online sales, % of revenue	42.7	42.6		42.5	43.2		43.0
OPERATIONAL KEY FIGURES	2015 Q2	2014 Q2	Change %	2015 Q1–Q2	2014 Q1–Q2	Change %	2014 Q1–Q4
Online services, unique browsers, weekly, on average (thousands) *)							
Kauppalehti.fi	1,003.6	750.3	33.8	1,007.0	774.1	30.1	772.9
Audited circulation (thousands)							Q1–Q4
Kauppalehti							50.7

*) TNS Gallup changed the calculation method for browser metrics at the beginning of 2015. The figure was previously adjusted by an adjustment algorithm used to estimate factors such as the number of users who have removed the cookie used to count site visits. The use of the adjustment algorithm has now been discontinued and a raw figure is reported for browsers instead. Due to the change, these figures are not comparable with previously published data on browsers.

April–June 2015

Revenue for the Financial Media and Business Services segment increased by 7.2% to MEUR 14.0 (13.1). Online business accounted for 42.7% (42.6%) of the segment's revenue. JM Tieto, acquired in January 2015, increased the segment's revenue by MEUR 0.9.

Content revenue for the Financial Media and Business Services segment increased by 0.9% to MEUR 3.8 (3.8). Digital content revenue grew by 15.0%, covering the decline in content revenue for print media.

Advertising sales in the second quarter amounted to MEUR 4.1 (4.1). Online advertising sales increased by 13.0% year-on-year.

The segment's total expenses excluding non-recurring items were MEUR 12.2 (11.7). Operating profit excluding non-recurring items for the Financial Media and Business Services segment was MEUR 1.9 (1.3) and operating profit MEUR 1.9 (1.3). Operating profit excluding non-recurring items was 13.3% (10.2%) of revenue. Profitability improved as a result of restructuring measures in Alma 360 and the acquisition of JM Tieto.

January–June 2015

Revenue for the Financial Media and Business Services segment increased by 3.7% to MEUR 27.8 (26.8). Online business accounted for 42.5% (43.2%) of the segment's revenue. JM Tieto, acquired in January 2015, increased the segment's revenue by MEUR 1.7.

Content revenue for the Financial Media and Business Services segment declined by 0.2% to MEUR 7.8 (7.8). Advertising sales in the first half of 2015 amounted to MEUR 8.2 (7.9). Online advertising sales increased by 9.7% year-on-year.

The segment's total expenses excluding non-recurring items were MEUR 24.0 (24.1). Operating profit excluding non-recurring items for the Financial Media and Business Services segment was MEUR 3.8 (2.7) and operating profit MEUR 4.4 (3.4). Operating profit excluding non-recurring items was 13.7% (10.1%) of revenue. The non-recurring items were related to a sales gain of MEUR 0.6 arising from business combinations.

National Consumer Media

The National Consumer Media segment reports the various publishing services of IL-Media.

KEY FIGURES MEUR	2015 Q2	2014 Q2	Change %	2015 Q1–Q2	2014 Q1–Q2	Change %	2014 Q1–Q4
Revenue	10.7	12.7	-15.8	20.6	24.3	-14.9	46.9
Content revenue	6.1	7.1	-14.1	12.5	14.0	-10.6	28.5
Advertising revenue	4.6	5.6	-17.9	8.1	10.3	-20.9	18.4
Total expenses excluding non-recurring items	9.9	11.1	-10.9	20.1	21.4	-6.4	43.2
EBITDA excluding non-recurring items	0.9	1.7	-48.8	0.6	2.8	-80.4	3.8
EBITDA	0.9	1.7	-48.8	0.6	2.8	-80.4	3.2
Operating profit excluding non-recurring items	0.9	1.7	-48.0	0.6	2.8	-80.0	3.7
% of revenue	8.1	13.1		2.7	11.5		7.8
Operating profit	0.9	1.7	-48.0	0.6	2.8	-80.0	3.1
% of revenue	8.1	13.1		2.7	11.5		6.6
Average no. of employees, calculated as full-time employees	166	166	0.2	157	158	-0.6	160
Online sales	3.2	3.7	-12.7	5.7	7.0	-18.4	12.7
Online sales, % of revenue	29.8	28.8		27.8	29.0		27.0
OPERATIONAL KEY FIGURES	2015 Q2	2014 Q2		2015 Q1–Q2	2014 Q1–Q2		2014 Q1–Q4
Online services, unique browsers, weekly, on average (thousands) *)							
Iltalehti.fi	5,762.4	4,110.6	40.2	5,477.8	4,169.6	31.4	4,225.3
Audited circulation (thousands)							
Iltalehti							71.2

*) TNS Gallup changed the calculation method for browser metrics at the beginning of 2015. The figure was previously adjusted by an adjustment algorithm used to estimate factors such as the number of users who have removed the cookie used to count site visits.

The use of the adjustment algorithm has now been discontinued and a raw figure is reported for browsers instead. Due to the change, these figures are not comparable with previously published data on browsers.

April–June 2015

Revenue for the National Consumer Media segment declined by 15.8% to MEUR 10.7 (12.7) in April–June. Online business accounted for 29.8% (28.8%) of the segment's revenue.

The segment's content revenue declined by 14.1% to MEUR 6.1 (7.1) in April–June due to the decrease of Iltalehti's circulation. In terms of volume, the total market of afternoon papers declined by 12.1% (declined by 7.3%) in the second quarter of 2015. Iltalehti's share of the total market was 37.7% (39.3%).

The segment's advertising sales declined by 17.9% to MEUR 4.6 (5.6). Advertising sales for print media decreased by 28.0%. The segment's online advertising sales declined by 12.3% to MEUR 3.2 (3.6). The decline in online advertising sales was due to a decrease in display advertising. Mobile advertising and advertising on IL-TV increased.

The segment's total expenses excluding non-recurring items were MEUR 9.9 (11.1). The decrease in total expenses was particularly attributable to a decline in volume-linked printing and distribution costs and a reduction in employee expenses.

The segment's operating profit excluding non-recurring items was MEUR 0.9 (1.7), or 8.1% (13.1%) of revenue. The segment did not report non-recurring items.

January–June 2015

Revenue for the National Consumer Media segment declined by 14.9% to MEUR 20.6 (24.3) in January–June. Online business accounted for 27.8% (29.0%) of the segment's revenue.

The segment's content revenue declined by 10.6% to MEUR 12.5 (14.0) in January–June. The segment's advertising sales declined by 20.9% to MEUR 8.1 (10.3). Advertising sales for print media decreased by 26.0%. The segment's online advertising sales declined by 18.4% to MEUR 5.7 (6.9).

The segment's operating profit excluding non-recurring items was MEUR 0.6 (2.8). Operating profit excluding non-recurring items was 2.7% (11.5%) of revenue. The segment did not report non-recurring items.

Regional Media

The Regional Media segment reports the publishing activities of the newspapers of Alma Regional Media and the Group's printing and distribution company Alma Manu. The segment's best-known title is Aamulehti.

KEY FIGURES MEUR	2015 Q2	2014 Q2	Change %	2015 Q1–Q2	2014 Q1–Q2	Change %	2014 Q1–Q4
Revenue	34.0	37.2	-8.5	68.9	72.4	-4.7	145.2
Content revenue	14.3	16.1	-11.6	29.9	32.7	-8.3	65.5
Advertising revenue	15.1	17.0	-11.1	29.6	31.5	-6.1	62.5
Service revenue	4.6	4.1	14.5	9.4	8.2	15.2	17.2
Total expenses excluding non-recurring items	31.5	34.3	-8.0	66.3	69.3	-4.3	135.8
EBITDA excluding non-recurring items	3.5	4.4	-21.2	4.5	6.1	-27.0	14.7
EBITDA	3.0	4.4	-31.2	4.2	6.1	-31.0	14.7
Operating profit excluding non-recurring items	2.6	3.0	-11.8	2.8	3.2	-11.7	9.6
% of revenue	7.7	8.0		4.0	4.4		6.6
Operating profit	2.2	3.0	-26.6	2.5	3.2	-19.7	8.3
% of revenue	6.4	8.0		3.7	4.4		5.7
Average no. of employees, calculated as full-time employees, excl. delivery staff	699	769	-9.1	691	749	-7.8	758
Average no. of delivery staff	1,001	981	2.0	977	974	0.3	985

Online sales	1.3	0.9	46.4	2.3	1.7	31.6	3.7
Online sales, % of revenue	4.0	2.5		3.3	2.4		2.6
OPERATIONAL KEY FIGURES	2015 Q2	2014 Q2		2015 Q1–Q2	2014 Q1–Q2		2014 Q1–Q4
Online services, unique browsers, weekly, on average (thousands) *)							
Aamulehti.fi	511.0	414.8	23.2	481.2	417.8	15.2	433.8
Audited circulation (thousands)							
Aamulehti							106.8
Printing volume (in thousands)	72,617	62,962		137,375	125,623		256,034
Paper usage (tonnes)	6,191	5,847		11,920	12,516		23,956

*) TNS Gallup changed the calculation method for browser metrics at the beginning of 2015. The figure was previously adjusted by an adjustment algorithm used to estimate factors such as the number of users who have removed the cookie used to count site visits. The use of the adjustment algorithm has now been discontinued and a raw figure is reported for browsers instead. Due to the change, these figures are not comparable with previously published data on browsers.

April–June 2015

The Regional Media segment's revenue amounted to MEUR 34.0 (37.2) in April–June. Online business accounted for 4.0% (2.5%) of the segment's revenue. The divestment of business operations in Kainuu had an effect of MEUR 2.8 on the decrease in revenue.

The segment's content revenue declined by 11.6% to MEUR 14.3 (16.1) in April–June. The segment's advertising sales declined by 11.1% to MEUR 15.1 (17.0). Advertising sales for print media decreased by 12.6%. The segment's online advertising sales increased by 36.6% to MEUR 0.7 (0.5).

The segment's service revenue increased by 14.5% to MEUR 4.6 (4.1).

The segment's total expenses excluding non-recurring items were MEUR 31.5 (34.3) and total expenses MEUR 32.0 (34.3). The divestment of business operations in Kainuu had an effect of MEUR 2.9 on the decrease in total expenses.

The statutory employee negotiations regarding the renewal of the production model and delivery of Alma Media's northern newspapers and its impact on employees were completed in May. The total impact on employees is 36 person years at most. A non-recurring expense in the amount of MEUR 0.5 million was recognised in relation to the arrangement.

The segment's operating profit excluding non-recurring items was MEUR 2.6 (3.0) and operating profit MEUR 2.2 (3.0). Operating profit excluding non-recurring items was 7.7% (8.0%) of revenue.

January–June 2015

The Regional Media segment's revenue declined by 4.7% to MEUR 68.9 (72.4) in January–June. Online business accounted for 3.3% (2.4%) of the segment's revenue. The divestment of business operations in Kainuu had an effect of MEUR 3.7 on the decrease in revenue.

The segment's content revenue declined by 8.3% to MEUR 29.9 (32.7) in January–June. The segment's advertising sales declined by 6.1% to MEUR 29.6 (31.5). Advertising sales for print media decreased by 7.2%. The segment's online advertising sales increased by 24.3% to MEUR 1.3 (1.0).

The segment's service revenue increased by 15.2% to MEUR 9.4 (8.2).

The segment's total expenses excluding non-recurring items were MEUR 66.3 (69.3) and total expenses MEUR 66.9 (69.3). The segment's operating profit excluding non-recurring items was MEUR 2.8 (3.2) and operating profit MEUR 2.5 (3.2). Operating profit excluding non-recurring items was 4.0% (4.4%) of revenue.

Associated companies

Alma Media Group holds a 32.14% stake in Talentum Oyj, which is reported under the Financial Media and Business Services segment. The company's own shares in the possession of Talentum are included in the total number of shares. In Alma Media's interim report, the own shares held by Talentum itself are not included in the total number of shares. Alma Media's shareholding in Talentum is stated as 32.41% in this interim report.

SHARE OF PROFIT OF ASSOCIATED COMPANIES MEUR	2015 Q2	2014 Q2	2015 Q1–Q2	2014 Q1–Q2	2014 Q1–Q4
Digital Consumer Services	0.0	0.0	0.1	-0.1	0.0
Financial Media and Business Services					
Talentum Oyj	0.3	0.1	0.5	0.3	1.0
Other associated companies	-0.1	0.2	0.0	0.3	0.7
Total	0.2	0.3	0.5	0.4	1.7

Non-recurring items

A non-recurring item is a comprehensive income or expense arising from non-recurring or rare events. Gains or losses from the sale or discontinuation of business operations or assets, gains or losses from restructuring business operations as well as impairment losses of goodwill and other assets are recognised as non-recurring items. Non-recurring items are recognised in the profit and loss statement within the corresponding income or expense group.

NON-RECURRING ITEMS MEUR	2015 Q2	2014 Q2	2015 Q1–Q2	2014 Q1–Q2	2014 Q1–Q4
Digital Consumer Services					
Impairment losses	0.0	0.0	0.0	0.0	-0.2
Gains on the sale of assets	0.0	0.0	0.0	0.0	1.7
Financial Media and Business Services					
Impairment losses	0.0	0.0	0.0	0.0	-0.5
Restructuring	0.0	0.0	0.0	0.0	-0.5
Gains (losses) on the sale of assets	0.0	0.0	0.6	0.7	0.7
National Consumer Media					
Restructuring	0.0	0.0	0.0	0.0	-0.6
Regional Media					
Impairment losses	0.0	0.0	0.0	0.0	-1.3
Restructuring	-0.5	0.0	-0.6	0.0	-0.1
Gains (losses) on the sale of assets	0.1	0.0	0.3	0.0	0.1
Non-allocated					
Restructuring	-0.1	-0.2	-0.1	-0.2	-0.2
Gains (losses) on the sale of assets	1.9	0.0	1.9	0.0	0.0
NON-RECURRING ITEMS IN OPERATING PROFIT	1.3	-0.2	2.1	0.6	-0.7
NON-RECURRING ITEMS IN PROFIT BEFORE TAX	1.3	-0.2	2.1	0.6	-0.7

Balance sheet and financial position

At the end of June 2015, the consolidated balance sheet stood at MEUR 258.7 (269.3). The Group's equity ratio at the end of June was 42.7% (38.4%) and equity per share was EUR 1.16 (1.07).

Consolidated cash flow from operations in April–June was MEUR 4.4 (3.0). Cash flow before financing was MEUR 5.8 (2.1). Consolidated cash flow from operations in January–June was MEUR 19.2 (19.7). Cash flow before financing was MEUR 18.1 (26.4).

At the end of June, the Group's interest-bearing debt amounted to MEUR 77.0 (93.3). The total interest-bearing debt at the end of June comprised MEUR 67.5 in finance leasing debt, MEUR 7.5 in loans from financial institutions and MEUR 2.0 in commercial papers. The Group's interest-bearing net debt at the end of June stood at MEUR 63.4 (79.7).

Alma Media has two MEUR 20.0 committed financing limits at its disposal, which were entirely unused on 30 June 2015. In addition, the company has a commercial paper programme of MEUR 100 in Finland. Of the commercial paper programme, MEUR 2.0 was in use on 30 June 2015.

Alma Media did not have financial assets or liabilities created in conjunction with business combinations measured at fair value and recognised through profit or loss on 30 June 2015. Financial liabilities measured at fair value and recognised through profit or loss amounted to MEUR 2.9 (0.0).

Capital expenditure

Alma Media Group's capital expenditure in January–June 2015 totalled MEUR 8.7 (12.0). The capital expenditure during the review period comprised the acquisition of the entire share capital in the former associated company JM Tieto Oy, as well as normal operating and maintenance investments.

CAPITAL EXPENDITURE BY SEGMENT	2015	2014	2015	2014	2014
MEUR	Q2	Q2	Q1–Q2	Q1–Q2	Q1–Q4
Digital Consumer Services	0.2	1.6	0.4	10.0	10.5
Financial Media and Business Services	0.2	0.3	6.4	0.7	1.2
National Consumer Media	0.0	0.1	0.1	0.2	0.3
Regional Media	0.5	0.3	0.8	0.6	1.1
Segments total	0.9	2.4	7.7	11.5	13.0
Non-allocated	0.5	0.2	0.9	0.5	1.4
Total	1.5	2.5	8.7	12.0	14.4

Governance

Minna Nissinen, a member of Alma Media's Group Executive Team and the executive responsible for Alma Diverso, resigned from the company on 26 June 2015.

The Alma Media share

In April–June, altogether 2,435,150 Alma Media shares were traded at the NASDAQ OMX Helsinki Stock Exchange, representing 3.2% of the total number of shares. The closing price of the Alma Media share at the end of the last trading day of the reporting period, 30 June 2015, was EUR 3.17. The lowest quotation during the review period was EUR 2.80 and the highest EUR 3.22. Alma Media Corporation's market capitalisation at the end of the review period was MEUR 239.3.

Option programme and share-based incentive plan

Alma Media has the option programme 2009 in effect. The programme is an incentive and commitment system for Group management. If all the subscription rights are exercised, the programme 2009 will dilute the holdings of the earlier shareholders by a maximum of 2.0%. Further details about the programme are given in the notes to this Interim Report.

The Board of Directors of Alma Media Corporation has approved the establishment of a new long-term share-based incentive programme for the key management of Alma Media. The LTI 2015 arrangement consists of annually commencing individual plans, each subject to separate Board approval. Each of the individual plans consists of three main elements: an investment in Alma Media shares as a precondition for the key management member's participation in LTI 2015, matching shares based on the above share investment and the possibility of earning performance-based matching shares. At most 35 people are eligible to participate in the first plan under the LTI 2015 arrangement, commencing in 2015.

Other authorisations of the Board of Directors

The Board of Directors has no other current authorisations.

Market liquidity guarantee

The Alma Media share has no market liquidity guarantee in effect.

Flagging notices

In the second quarter of 2015, Alma Media received notices of changes in shareholdings pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act as follows:

Alma Media Corporation received a flagging notice from Mariatorp Oy (Business ID 1948056-9, hereinafter also referred to as the Demerging Company), according to which Mariatorp Oy signed a demerger plan on 30 April 2015 regarding a total demerger pursuant to Chapter 17, Section 2, Subsection 1 of the Finnish Securities Markets Act (624/2006). In connection with the registration of the execution of the demerger, the assets, liabilities and rights of the Demerging Company are transferred without liquidation proceedings to the two new limited companies to be founded as stated in the demerger plan. As the demerger is executed, the shares of Alma Media Corporation owned by the Demerging Company in which Niklas Herlin exercises controlling power are transferred in connection with the registration of the execution of the demerger to Mariatorp Oy that is to be founded. No shares of Alma Media Corporation will be transferred to the other company.

It is intended that the registration of the execution of the demerger will be carried out on 31 August 2015. After the execution of the demerger, the new Mariatorp Oy will hold 16.03% of Alma Media Corporation's shares and votes carried by the shares (12,100,000 shares).

Risks and risk management

The purpose of Alma Media Group's risk management activities is to continuously evaluate and manage all opportunities, threats and risks in conjunction with the company's operations to enable the company to reach its set objectives and to secure business continuity.

The risk management process identifies and controls the risks, develops appropriate risk management methods and regularly reports on risk issues to the risk management organisation. Risk management is part of Alma Media's internal control function and thereby part of good corporate governance. Alma Media specifies limits to and procedures for quantitative and qualitative risks in writing in its risk management system.

The most critical strategic risks for Alma Media are a significant drop in its print newspaper readership, a permanent decline in advertising sales and a significant increase in distribution and delivery costs. The media industry is undergoing changes following the transformation in media consumption and technological development. Alma Media's strategic objective is to meet this challenge through renewal and the development of new business in digital consumer and business services.

Fluctuating economic cycles are reflected in the development of advertising sales. Advertising sales account for approximately half of the Group's revenue. Business operations outside Finland, such as in the Eastern and Central European countries, include country-specific risks relating to market development and economic growth. The expansion of business outside Finland has reduced the risks inherent in operating in one market area.

Disturbances of information technology and communications as well as disruption of printing are the most important operational risks.

Outlook for 2015:

Low interest rates, a weaker euro and lower oil price improve the chances for growth in the long run. However, in 2015, economic growth is still expected to remain weak in Europe and, in particular, in Finland. The weak overall economic growth has an impact on advertising volume, which is not expected to increase in Finland in 2015.

Alma Media expects its revenue to decrease in 2015 and operating profit excluding non-recurring items to remain unchanged or decrease from the 2014 level. The full-year revenue 2014 was MEUR 295.4, and operating profit excluding non-recurring items was MEUR 21.4.

Events after the review period

Alma Media's subsidiary Alma Media Kustannus Oy divested Kuriiri, a town paper delivered to all households in Ranua and Posio. Starting from 1 July, the new publisher of the town paper is Kuriirilainen Oy, a company owned by the paper's current personnel.

ALMA MEDIA CORPORATION
Board of Directors

Alma Media's financial calendar 2015

– Interim Report for January–September 2015 on Friday, 23 October 2015 at approximately 9:00 EET

SUMMARY OF INTERIM REPORT AND NOTES

COMPREHENSIVE INCOME STATEMENT	2015	2014	Change	2015	2014	Change	2014
MEUR	Q2	Q2	%	Q1-Q2	Q1-Q2	%	Q1-Q4
REVENUE	73.0	75.7	-3.5	144.9	148.4	-2.3	295.4
Other operating income	2.1	0.2	935.3	3.0	1.1	176.1	3.2
Materials and services	17.2	19.2	-10.6	36.4	38.3	-5.0	77.5
Employee benefits expense	31.3	31.2	0.2	62.5	62.7	-0.4	120.8
Depreciation, amortisation and impairment	3.4	3.4	-0.2	6.8	7.0	-2.7	15.7
Other operating expenses	15.2	15.9	-4.5	31.4	32.1	-2.0	64.0
OPERATING PROFIT	8.1	6.1	32.4	10.8	9.3	15.5	20.7
Finance income	0.3	0.2	10.0	0.3	0.3	-5.6	0.4
Finance expenses	0.7	0.9	-26.7	1.3	1.7	-23.4	3.1
Share of profit of associated companies	0.2	0.3	-22.1	0.5	0.4	20.0	1.7
PROFIT BEFORE TAX	8.0	5.8	37.8	10.4	8.4	22.6	19.7
Income tax	1.6	1.0	61.3	2.2	1.5	43.1	4.0
PROFIT FOR THE PERIOD	6.3	4.8	32.8	8.2	6.9	18.0	15.7
OTHER COMPREHENSIVE INCOME:							
Items that are not later transferred to be recognised through profit or loss							
Items arising due to the redefinition of net defined benefit liability (or asset item)	0.0	-0.4		0.0	-0.4		-0.4
Tax on items that are not later transferred to be recognised through profit or loss	0.0	0.0		0.0	0.0		0.0
Items that may later be transferred to be recognised through profit or loss							
Translation differences	0.3	-0.1		0.6	0.3		0.2
Share of other comprehensive income of associated companies	0.1	-0.2		0.2	-0.3		-0.4
Income tax relating to components of other comprehensive income	0.0	0.0		0.0	0.0		0.0
Other comprehensive income for the year, net of tax	0.4	-0.7		0.7	-0.4		-0.6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6.7	4.1		8.9	6.5		15.1
Profit for the period attributable to:							
- Owners of the parent	5.6	4.3		7.0	6.0		14.2
- Non-controlling interest	0.7	0.5		1.1	0.9		1.5
Total comprehensive income for the period attributable to:							
- Owners of the parent	6.0	3.6		7.7	5.6		13.6
- Non-controlling interest	0.7	0.5		1.1	0.9		1.5
Earnings per share calculated from the profit for the period attributable to the parent company shareholders:							
- Earnings per share (basic), EUR	0.07	0.06		0.09	0.08		0.19
- Earnings per share (diluted), EUR	0.07	0.06		0.09	0.08		0.19

BALANCE SHEET				
MEUR	30 Jun 2015	30 Jun 2014	31 Dec 2014	
ASSETS				
NON-CURRENT ASSETS				
Goodwill	73.9	71.6	69.7	
Other intangible assets	38.1	41.1	38.2	
Tangible assets	73.0	83.2	76.2	
Investments in associated companies	25.3	24.9	25.7	
Other non-current financial assets	3.7	3.8	3.9	
Deferred tax assets	1.4	1.4	1.3	
CURRENT ASSETS				
Inventories	1.2	1.1	1.3	
Current tax assets	2.1	2.1	1.2	
Trade receivables and other receivables	26.5	26.4	26.6	
Cash and cash equivalents	13.6	13.6	12.0	
TOTAL ASSETS	258.7	269.3	256.1	
MEUR				
	30 Jun 2015	30 Jun 2014	31 Dec 2014	
EQUITY AND LIABILITIES				
Share capital	45.3	45.3	45.3	
Share premium reserve	7.7	7.7	7.7	
Translation differences	-1.9	-2.4	-2.5	
Retained earnings	36.1	29.9	38.0	
Equity attributable to owners of the parent	87.2	80.5	88.5	
Non-controlling interest	15.0	14.6	15.2	
TOTAL EQUITY	102.2	95.1	103.7	
LIABILITIES				
NON-CURRENT LIABILITIES				
Non-current interest-bearing liabilities	68.8	75.9	70.9	
Deferred tax liabilities	7.0	6.7	6.9	
Pension liabilities	2.7	2.9	2.7	
Other non-current liabilities	0.3	0.4	0.3	
CURRENT LIABILITIES				
Current financial liabilities	11.8	18.0	12.8	
Advances received	19.5	21.4	12.9	
Provisions	0.5	3.9	0.4	
Trade payables and other payables	46.0	45.0	45.5	
TOTAL LIABILITIES	156.5	174.2	152.5	
TOTAL EQUITY AND LIABILITIES	258.7	269.3	256.1	

* Comparison figures for 30 June 2015 have been adjusted due to the effect of exchange rate changes on goodwill. As a result of the adjustment, goodwill and intangible assets decreased by MEUR 2.1.

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

Column headings:

A = Share capital

B = Share premium reserve

C = Translation differences

D = Retained earnings

E = Total

F = Non-controlling interest

G = Equity total

MEUR	Equity attributable to owners of the parent						
	A	B	C	D	E	F	G
Equity on 1 Jan 2015	45.3	7.7	-2.5	38.0	88.5	15.2	103.7
Profit for the period				7.0	7.0	1.1	8.2
Other comprehensive income			0.6	0.2	0.7	0.0	0.7
Transactions with equity holders							
Dividends paid by parent				-9.1	-9.1		-9.1
Dividends paid by subsidiaries						-1.4	-1.4
Share-based payment transactions and exercised share options							
Business combinations							
Share of items recognised in the equity of associated companies				0.0	0.0	0.0	0.0
Equity on 30 Jun 2015	45.3	7.7	-1.9	36.1	87.2	15.0	102.2
MEUR							
Equity on 1 Jan 2014	45.3	7.7	-2.7	35.5	85.8	2.5	88.3
Profit for the period				6.0	6.0	0.9	6.9
Other comprehensive income			0.3	-0.7	-0.4		-0.4
Transactions with equity holders							
Dividends paid by parent				-7.5	-7.5		-7.5
Dividends paid by subsidiaries						-0.8	-0.8
Share-based payment transactions and exercised share options				0.1	0.1		0.1
Business combinations				-3.5	-3.5	12.1	8.6
Share of items recognised in the equity of associated companies				0.0	0.0	0.0	0.0
Equity on 30 Jun 2014	45.3	7.7	-2.4	29.9	80.5	14.6	95.1

* Comparison figures for 30. June 2015 have been adjusted due to the effect of exchange rate changes on goodwill. As a result of the adjustment, goodwill and intangible assets decreased by MEUR 2.1.

Alma Media Corporation	Interim Report	21 July 2015 at 9:00 a.m. (EEST)				
CASH FLOW STATEMENT		2015	2014	2015	2014	2014
MEUR		Q2	Q2	Q1-Q2	Q1-Q2	Q1-Q4
OPERATING ACTIVITIES						
Profit for the period		6.3	4.8	8.2	6.9	15.7
Adjustments		3.4	4.7	7.4	8.4	15.7
Change in working capital		-4.0	-2.7	7.1	10.2	2.8
Dividends received		1.0	0.7	1.1	0.7	1.2
Interest received		0.0	0.1	0.1	0.1	0.2
Interest paid and other finance expenses		-0.6	-0.7	-1.2	-1.3	-2.5
Taxes paid		-1.8	-3.8	-3.3	-5.3	-6.6
Net cash flow from operating activities		4.4	3.0	19.2	19.7	26.5
INVESTING ACTIVITIES						
Acquisitions of tangible and intangible assets		-0.8	-0.9	-1.3	-2.0	-3.5
Proceeds from sale of tangible and intangible assets		1.9	0.1	2.2	0.1	1.0
Other investments		0.0	0.0	-0.1	0.0	-0.1
Proceeds from sale of other investments		0.6	0.0	0.6	0.0	0.0
Acquisition of subsidiaries		0.0	-0.6	-2.3	-0.2	-0.2
Acquisition of associated companies		-0.4	-0.2	-0.4	-0.7	-0.7
Proceeds from sale of subsidiaries and recovered acquisition cost		0.0	0.6	0.0	9.4	12.0
Net cash flows from/(used in) investing activities		1.4	-1.0	-1.2	6.6	8.4
Cash flow before financing activities		5.8	2.1	18.1	26.4	34.9
FINANCING ACTIVITIES						
Non-current loans taken		0.0	0.0	0.0	0.0	6.5
Current loans taken		2.0	39.0	22.0	108.0	152.5
Repayment of current loans		-9.5	-41.1	-28.1	-124.8	-185.9
Dividends paid		-1.4	-0.2	-10.5	-8.3	-8.3
Net cash flows from/(used in) financing activities		-8.9	-2.3	-16.5	-25.1	-35.2
Change in cash and cash equivalent funds (increase +/decrease -)		-3.2	-0.3	1.5	1.3	-0.3
Cash and cash equivalents at beginning of period		16.7	13.9	12.0	12.3	12.3
Effect of change in foreign exchange rates		0.1	0.0	0.1	0.0	0.0
Cash and cash equivalents at end of period		13.6	13.6	13.6	13.6	12.0

Acquired businesses in 2015

Alma Media has acquired the following business operations during 2015:

	<u>Business</u>	<u>Acquisition date</u>	<u>Group share</u>
<u>Financial Media and Business Services segment</u>			
JM Tieto Oy	Online service	1 Jan 2015	80%

The acquisition of JM-Tieto Oy was implemented as a business combination achieved in stages. The Group's prior holding in the company was 20%.

The following table presents the opening balance sheets of the acquired operations, the total acquisition price and impact on cash flow:

<u>MEUR</u>	<u>Fair values at consolidation</u>
Property, plant and equipment	0.0
Intangible assets	1.7
Trade receivables and other receivables	0.7
Cash and cash equivalents	0.6
Total	3.1
Deferred tax liabilities	0.3
Trade payables and other payables	0.7
Total	1.0
Total identifiable net assets at fair value	2.1
IFRS acquisition cost	7.0
Goodwill	4.9
Proceeds on sale recognised through profit or loss from the incremental acquisition	0.6

<u>MEUR</u>	<u>Acquisition cost</u>
Acquisition of associated company	0.6
Consideration, settled in cash	2.9
Contingent consideration	2.9
Incremental acquisition	0.6
Total	7.0

Group revenue for 2014 would have been an estimated MEUR 298.5 (reported MEUR 295.4), assuming the acquisitions had taken place at the beginning of 2014.

The fair values entered on intangible assets in consolidation relate primarily to acquired ICT applications and customer agreements. Factors contributory to goodwill were the expected synergies related to these businesses.

Contingent considerations

Contingent considerations arising from business acquisitions are classified as financial liabilities recognised at fair value through profit or loss. The amount of the contingent considerations due to acquisitions and business arrangements is based on the revenue and operating profits of the acquired businesses in 2015.

CONTINGENT CONSIDERATION LIABILITY MEUR	
Initial recognition of the liability	2.9
Change in fair value during previous financial periods	0.0
Considerations, settled in cash	0.0
Change in fair value during the financial period	0.0
Fair value of the contingent consideration liability at the end of the period	2.9

REVENUE BY GEOGRAPHICAL AREA MEUR	2015 Q2	2014 Q2	2015 Q1–Q2	2014 Q1–Q2	2014 Q1–Q4
Finland *)	62.6	66.8	124.8	130.1	258.5
Other EU countries *)	10.4	8.8	20.2	18.2	36.9
Total	73.0	75.7	144.9	148.4	295.4

*) Revenue by geographical area is presented in accordance with the countries in which the Group's units are located.

Information by segment

The business segments of Alma Media are Digital Consumer Services, Financial Media and Business Services, National Consumer Media and Regional Media. The descriptive section of the interim report presents the revenue and operating profits of the segments and the allocation of the associated companies' results to the reporting segments.

The following table presents the assets and liabilities by segment, as well as the non-allocated asset and liability items.

ASSETS BY SEGMENT MEUR				
	30 Jun 2015	30 Jun 2014	31 Dec 2014	
Digital Consumer Services	88.1	92.7	89.5	
Financial Media and Business Services	42.0	34.4	35.0	
National Consumer Media	3.3	4.6	3.6	
Regional Media	63.2	74.1	67.8	
Segments total	196.6	205.8	196.0	
Non-allocated assets and eliminations	62.1	63.5	60.2	
Total	258.7	269.3	256.1	

LIABILITIES BY SEGMENT MEUR				
	30 Jun 2015	30 Jun 2014	31 Dec 2014	
Digital Consumer Services	18.8	17.1	16.6	
Financial Media and Business Services	10.8	10.2	9.6	
National Consumer Media	3.7	4.7	5.1	
Regional Media	70.5	81.5	67.3	
Segments total	103.9	113.5	98.7	
Non-allocated liabilities and eliminations	52.6	60.7	53.8	
Total	156.5	174.2	152.5	

Provisions

The company's provisions totalled MEUR 0.5 (3.9) on 30 June 2015. It has not been necessary to change the estimates made when the provisions were entered.

Commitments and contingencies

COMMITMENTS AND CONTINGENCIES

MEUR	30 Jun 2015	30 Jun 2014	31 Dec 2014
Collateral for others			
Guarantees	1.4	1.4	1.4
Other commitments and contingencies	1.6	0.0	1.9
Minimum lease payments on other lease agreements:			
Within one year	8.7	8.8	9.2
Within 1–5 years	25.4	25.9	26.7
After 5 years	29.0	34.6	32.5
Total	63.2	69.3	68.3

In addition, the Group has purchase agreements that, based on IFRIC 4, include a lease component as per IAS 17. Minimum payments based on these agreements:

	0.1	0.3	0.2
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DERIVATIVE CONTRACTS

MEUR	30 Jun 2015	30 Jun 2014	31 Dec 2014
Commodity derivative contracts, electricity derivatives			
Fair value*	-0.1	-0.1	-0.1
Nominal value	0.4	0.5	0.4
Interest rate derivatives			
Fair value*	-0.6	-0.5	-0.7
Nominal value	19.6	15.8	19.7
Foreign currency derivatives			
Fair value*	0.0	0.0	0.0
Nominal value	1.5	0.0	1.5

* The fair value represents the return that would have arisen if the derivative had been cleared on the balance sheet date.

Related party transactions

Alma Media Group's related parties are the major shareholders of the parent company, associated companies and companies owned by them. Related parties also include the Group's senior management and their related parties (members of the Board of Directors, President and CEO and Managing Directors, and the Group Executive Team). The following table summarises the business operations undertaken between Alma Media and its related parties as well as the status of their receivables and liabilities:

RELATED PARTY TRANSACTIONS MEUR	2015 Q2	2014 Q2	2015 Q1-Q2	2014 Q1-Q2	2014 Q1-Q4
Sales of goods and services	0.0	0.2	0.0	0.4	0.8
Associated companies	-0.1	0.2	0.0	0.3	0.7
Principal shareholders	0.0	0.0	0.0	0.0	0.0
Corporations where management exercises influence	0.0	0.0	0.0	0.0	0.0
Purchases of goods and services	0.7	0.9	1.4	1.6	3.1
Associated companies	0.7	0.9	1.4	1.5	3.1
Principal shareholders	0.0	0.0	0.0	0.0	0.0
Corporations where management exercises influence	0.0	0.0	0.0	0.0	0.0
Trade receivables, loan and other receivables at the end of the reporting period	0.0	0.1	0.0	0.1	0.1
Associated companies	0.0	0.1	0.0	0.1	0.1
Trade payables at the reporting date	0.0	0.0	0.0	0.0	0.0
Associated companies	0.0	0.0	0.0	0.0	0.0

Option programme

Alma Media has the option programme 2009 in effect. The programme is an incentive and commitment system for Group management.

Under the option programme 2009, a maximum total of 2,130,000 stock options could be granted during 2009–2011, and these could be exercised to subscribe to a maximum of 2,130,000 Alma Media shares, either new or in possession of the company. Of the total number of options, 710,000 were marked 2009A, 710,000 were marked 2009B and 710,000 were marked 2009C.

The option programmes 2009A and 2009B have ended.

A total of 640,000 options were issued under the 2009C programme. The share subscription period for 2009C is 1 April 2014–31 March 2016. The management has 535,000 options 2009C in its possession. The share subscription price was EUR 7.23 in June 2015.

If all the subscription rights are exercised, the option programme 2009 will dilute the holdings of the earlier shareholders by a maximum of 2.0%.

Share-based incentive programme 2015

In February 2015, the Board of Directors of Alma Media Corporation approved a new share-based incentive programme for the key management of Alma Media (LTI 2015).

Three plans were started in spring 2015 under the programme: a fixed matching share plan and two performance matching plans. Investment in Alma Media shares is a precondition for participation. A total of 33 people are participating in the plans with 76,550 shares. In each plan, the participant can earn a maximum of two matching shares for each invested share, which means that the maximum number of Alma Media shares that can be earned under the plans is 459,300 shares (gross amount from which taxes are withheld).

In the fixed matching share plan, the participant receives two matching shares for each invested share free of charge after a two-year vesting period, provided that the participant holds on to the shares invested in the plan and remains employed by Alma Media Group for the duration of the vesting period, or until spring

2017. The maximum number of matching shares that can be earned is currently 153,100 shares (gross amount from which taxes are withheld).

In the performance matching plans, the participant may earn at most two matching shares based on the profitable growth of the digital business and at most two matching shares based on the total shareholder return of the Alma Media share. Any performance matching shares earned will be paid based on digital business growth in spring 2018 and based on the total shareholder return of the company's share in spring 2020. The maximum number of matching shares that can be earned under both of the performance matching plans is currently 153,100 shares (gross amount from which taxes are withheld).

Payment of the incentive is contingent on the participant holding on to the shares invested in the plan and remaining employed by the Group for the duration of the plans, until March 2017, 2018 and 2020. The incentives are paid partly in cash and partly in shares. The cash component is intended to cover taxes incurred by the participant from the incentive.

The fair value of the reward is expensed until the matching shares are paid. The fair value of the share component is determined on the date on which the target group has agreed to the conditions of the plan. The financing cost arising from the obligation to hold shares and dividends expected during the vesting period have been deducted from the value of the share. The fair value of the plan based on the total shareholder return of the share also takes the market-based earning criteria into consideration. The cash component of the incentive is remeasured on each reporting date during the vesting period based on the price of the share on the date in question.

QUARTERLY INFORMATION MEUR	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2
REVENUE	73.0	71.9	76.6	70.5	75.7	72.7	77.3	71.7	76.3
Digital Consumer Services	15.3	14.5	14.7	13.5	14.0	13.6	12.9	12.3	13.4
Financial Media and Business Services	14.0	13.8	14.0	12.2	13.1	13.7	15.4	13.1	14.4
National Consumer Media	10.7	9.9	11.2	11.5	12.7	11.5	12.4	12.2	12.4
Regional Media	34.0	34.9	38.3	34.6	37.2	35.1	38.2	35.1	37.2
Eliminations and non-allocated	-1.1	-1.2	-1.6	-1.3	-1.4	-1.3	-1.6	-1.0	-1.0
TOTAL EXPENSES EXCLUDING NON-RECURRING ITEMS	66.4	70.0	71.2	63.5	69.5	70.2	71.1	64.1	71.9
Digital Consumer Services	11.5	11.8	12.9	10.9	11.5	11.5	11.5	10.1	10.5
Financial Media and Business Services	12.2	11.9	12.2	10.0	11.7	12.4	12.8	10.9	12.7
National Consumer Media	9.9	10.2	11.1	10.7	11.1	10.4	11.3	10.4	11.4
Regional Media	31.5	34.8	34.6	32.0	34.3	35.0	34.6	32.4	35.9
Eliminations and non-allocated	1.4	1.4	0.5	-0.1	0.9	0.9	0.9	0.3	1.4
EBITDA EXCLUDING NON- RECURRING ITEMS	10.2	5.3	8.9	10.4	9.7	6.1	10.1	11.4	8.0
Digital Consumer Services	5.2	4.1	3.3	4.1	3.9	3.5	2.6	3.6	4.2
Financial Media and Business Services	2.1	2.1	1.9	2.3	1.4	1.5	2.7	2.4	1.9
National Consumer Media	0.9	-0.3	0.1	0.8	1.7	1.2	1.1	1.9	0.9
Regional Media	3.5	1.0	4.6	4.0	4.4	1.8	5.5	4.3	2.7
Eliminations and non-allocated	-1.4	-1.6	-1.0	-0.6	-1.6	-1.9	-1.8	-0.7	-1.7
OPERATING PROFIT/LOSS EXCLUDING NON-RECURRING ITEMS	6.8	1.9	5.6	7.0	6.3	2.6	6.4	7.8	4.6
Digital Consumer Services	3.9	2.7	1.9	2.6	2.5	2.2	1.5	2.2	2.9
Financial Media and Business Services	1.9	1.9	1.8	2.2	1.3	1.4	2.6	2.2	1.7
National Consumer Media	0.9	-0.3	0.1	0.8	1.7	1.1	1.1	1.8	0.9
Regional Media	2.6	0.2	3.8	2.6	3.0	0.2	3.6	2.7	1.3
Eliminations and non-allocated	-2.5	-2.6	-2.0	-1.2	-2.2	-2.3	-2.4	-1.3	-2.2
% OF REVENUE	9.3	2.7	7.3	9.9	8.3	3.5	8.2	10.8	6.0
Digital Consumer Services	25.6	18.8	12.9	19.2	17.9	15.9	11.3	18.2	21.6
Financial Media and Business Services	13.3	14.0	13.2	17.7	10.2	10.0	16.7	16.9	12.0
National Consumer Media	8.1	-3.1	1.1	6.6	13.1	9.8	8.8	15.1	7.4
Regional Media	7.7	0.5	9.9	7.7	8.0	0.6	9.5	7.8	3.5
Non-allocated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NON-RECURRING ITEMS	1.3	0.8	-0.8	-0.5	-0.2	0.5	-2.0	0.0	4.9
Digital Consumer Services	0.0	0.0	1.6	0.0	0.0	0.0	-0.1	0.0	8.4
Financial Media and Business Services	0.0	0.6	-0.5	-0.5	0.0	0.7	0.0	0.0	0.0
National Consumer Media	0.0	0.0	-0.6	0.0	0.0	0.0	0.0	-0.3	0.0
Regional Media	-0.4	0.2	-1.3	0.0	0.0	0.0	-2.0	0.3	-3.5
Non-allocated	1.7	0.0	0.0	0.0	-0.2	-0.2	0.0	0.0	0.0
OPERATING PROFIT/LOSS	8.1	2.7	4.8	6.5	6.1	3.2	4.3	7.8	9.5
Digital Consumer Services	3.9	2.7	3.5	2.6	2.5	2.2	1.4	2.2	11.3
Financial Media and Business Services	1.9	2.5	1.4	1.6	1.3	2.1	2.6	2.2	1.7
National Consumer Media	0.9	-0.3	-0.4	0.8	1.7	1.1	1.1	1.8	0.9
Regional Media	2.2	0.4	2.5	2.6	3.0	0.2	1.7	2.7	-2.2
Non-allocated	-0.7	-2.6	-2.0	-1.2	-2.3	-2.4	-2.4	-1.3	-2.2
Finance income	0.3	0.1	0.1	0.0	0.2	0.1	0.5	0.9	0.5
Finance expenses	0.7	0.6	0.7	0.8	0.9	0.8	0.7	0.8	0.5
Share of profit of associated companies	0.2	0.3	1.1	0.2	0.3	0.1	-4.4	-0.2	0.2
PROFIT BEFORE TAX	8.0	2.4	5.4	5.9	5.8	2.7	-0.3	7.7	9.5

Alma Media Corporation	Interim Report				21 July 2015 at 9:00 a.m. (EEST)				
Income tax	-1.6	-0.6	-1.3	-1.1	-1.0	-0.5	-1.7	-1.8	-1.6
PROFIT FOR THE PERIOD	6.3	1.8	4.0	4.8	4.8	2.2	-2.0	5.9	7.9

Main accounting principles (IFRS)

This interim report has been prepared according to IFRS standards (IAS 34). The interim report applies the same accounting principles and calculation methods as the annual accounts dated 31 December 2014. The interim report does not, however, contain all the information or notes to the accounts included in the annual financial statements. This report should therefore be read in conjunction with the company's financial statements for 2014. The accounting principles of the financial years 2014 and 2015 are comparable. The company has no discontinued operations to report in the 2014–2015 financial periods.

The key indicators are calculated using the same formulae as applied in the previous annual financial statements. The quarterly percentages of Return on Investment (ROI) and Return on Equity (ROE) have been annualised using the formula $((1 + \text{quarterly return})^4 - 1)$. The percentage of online business of revenue is calculated as $\text{online business/revenue} * 100$. The figures in this interim report are independently rounded.

No new accounting standards were adopted on 1 January 2015.

The figures in this interim report are unaudited.

Seasonality

The Group recognises its content revenue from publishing activities as paid. For this reason, content revenues accrue in the income statement fairly evenly during the four quarters of the year. The bulk of newspaper subscription invoicing takes place at the beginning of the year and, therefore, the cash flow from operating activities is the strongest early in the year. This also affects the company's balance sheet position in different quarters.

General statement

This report contains certain statements that are estimates based on the management's best knowledge at the time they were made. For this reason, they contain a certain amount of risk and uncertainty. The estimates may change in the event of significant changes in the general economic conditions.

ALMA MEDIA CORPORATION
Board of Directors

Alma Media's financial calendar 2015

– Interim Report for January–September 2015 on Friday, 23 October 2015 at approximately 9:00 EET